

KEEGAN, WERLIN & PABIAN, LLP

ATTORNEYS AT LAW
265 FRANKLIN STREET
BOSTON, MASSACHUSETTS 02110-3113

(617) 951-1400

TELECOPIERS:
(617) 951-1354
(617) 951-0586

June 9, 2004

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

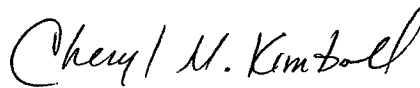
RE: Investigation Regarding the Assignment of Interstate Pipeline Capacity Pursuant to D.T.E. 98-32-B, D.T.E. 04-1

Dear Ms. Cottrell:

Please find attached the responses of NSTAR Gas Company (the "Company") to the information requests of the Department of Telecommunications and Energy (the "Department") in the above-referenced proceeding listed on the accompanying page. The Company will file its responses to the remainder of the Department's information requests as soon as they are completed.

If you have any questions regarding this filing, please do not hesitate to contact me.

Sincerely,



Cheryl M. Kimball

Enclosures

cc: Service List
James Daly
Kerry Britland
Tam Ly

Responses to Information Requests Filed Herewith

DTE-LDC-1
DTE-LDC-2
DTE-LDC-3
DTE-NSTAR-1
DTE-NSTAR-3

Information Request DTE-LDC-1-1

Please provide the following information for all of the Company's current gas supply and storage contracts in a tabular form.

- (a) name of supplier or storage facility
- (b) length of contract, indicating starting and expiration dates
- (c) total volume and Maximum Daily Quantity ("MDQ")
- (d) pricing terms
- (e) delivery points
- (e) terms of contract, e.g., whether evergreen

Response

The Company's gas supply and gas storage contracts are provided herewith in Table 1A and Table 1B, respectively.

Table 1-A
Current NSTAR Gas Supply Contracts

<u>Company</u>	<u>Start Date</u>	<u>End Date</u>	<u>MDQ</u>	<u>Location</u>	<u>Period</u>	<u>Total Qty</u>	<u>Evergreen</u>	<u>Price Terms</u>
TXU Portfolio Management	11/01/2003	10/31/2004	142,546	AGT City Gates	11-01-03 to 03-31-04	21,666,992	No	See Note 1 Below
			82,789	AGT City Gates	04-01-04 to 10-31-04	17,716,846		
			74859	TGP City Gates	11-01-03 to 03-31-04	11,378,568		
			47,387	TGP City Gates	04-01-04 to 10-31-04	10,140,818		
Emera Energy Services Inc.	11/01/2003	10/31/2004	4,500	Worcester, MA	366 days	1,647,000	No	See Note 2 Below

Note 1: The prices are also based on the specific pipeline production area indices and differ between monthly baseload quantities and daily swing quantities.

Note 2: Prices at the Canadian border are based on the Nymex settlement price, plus a basis. The delivered cost is the border price adjusted by Iroquois and Tennessee variable transportation costs, plus fuel.

Table 1-B
Current NSTAR Underground Storage Contracts

Company	Contract #	Rate Schedule	Capacity	MDQ	Start Date	Term Date	Delivery Point	Evergreen	Price Terms
Texas Eastern	400145	SS-1	610,599	5,170	06/01/1993	04/30/2012	AGT- NJ	No	FERC Tariff
Texas Eastern	400146	SS-1	404,670	5,781	06/01/1993	04/30/2013	AGT- NJ	No	FERC Tariff
Texas Eastern	400147	SS-1	1,916,400	31,940	06/01/1993	04/30/2012	AGT- NJ	No	FERC Tariff
Texas Eastern	400506	FSS-1	80,520	1,324	09/01/1994	04/30/2012	TETCO M2/M3	No	FERC Tariff
Texas Eastern	412007	SS	22,820	326	09/01/1994	10/31/2012	AGT- NJ	No	FERC Tariff
Dominion Trans	600005	GSS	1,064,618	11,008	04/01/1980	03/31/2007	TETCO- Oakford, PA	No	FERC Tariff
Dominion Trans	300057	GSS	929,434	8,449	10/01/1993	03/31/2007	TGP- Ellisburg, PA	No	FERC Tariff
Tennessee	526	FSMA	1,255,060	9,439	12/01/1994	10/31/2006	TGP Ellisburg, PA	No	FERC Tariff
Steuben Storage	Steuben	Firm Storage	1,295,000	11,865	09/24/1991	03/31/2011	DTI- Woodhull, NY	No	FERC Tariff

Information Request DTE-LDC-1-2

Please provide the following information for all current transportation contracts in a tabular form.

- (a) length of contract, indicating starting and expiration dates
- (b) total volume and Maximum Daily Quantity ("MDQ")
- (c) pricing terms
- (d) terms of contract, e.g., whether evergreen
- (e) name of interstate pipeline

Response

Table 2
NSTAR Transportation Contracts

Pipeline	Rate Schedule	Contract #	MDQ	Total Volume	Pricing	Start date	Term Date	Evergreen
Tennessee	FTA	629	10,000	3,650,000	FERC Tariff	09/01/1993	10/31/2006	No
Tennessee	FTA	625	12,000	4,380,000	FERC Tariff	09/01/1993	10/31/2006	No
Tennessee	FTA	630	25,387	9,266,255	FERC Tariff	09/01/1993	10/31/2006	No
Tennessee	FTA	41114	4,500	1,642,500	FERC Tariff	11/01/2002	11/30/2011	No
Tennessee	FTA	2376	9,439	3,445,235	FERC Tariff	09/01/1993	10/31/2006	No
Tennessee	FTA	201	8,433	3,078,045	FERC Tariff	09/01/1993	10/31/2006	No
Tennessee	FTA	41113	9,600	3,504,000	FERC Tariff	11/01/2002	10/31/2012	No
TETCO	CDS	800290C	33,165	12,105,225	FERC Tariff	06/01/1993	10/31/2012	No
TETCO	FT-1	800291	49,624	18,112,760	FERC Tariff	06/01/1993	10/31/2012	No
TETCO	CDS	800527	1,342	489,830	FERC Tariff	10/01/2003	10/31/2012	No
TETCO	FTS	330842	10,380	3,788,700	FERC Tariff	06/01/1993	10/31/2009	No
TETCO	FTS-7	331701	6,267	2,287,455	FERC Tariff	06/01/1993	03/31/2006	No
TETCO	FTS-7	331723	266	97,090	FERC Tariff	11/01/1996	03/31/2006	No
TETCO	FTS-8	331820	4,277	1,561,105	FERC Tariff	11/01/1996	03/31/2006	No
Algonquin	AFT-E1	93004EC			FERC Tariff	04/01/1998	10/31/2012	No
	Nov 16- Apr 15		89,316	13,486,716				
	Apr 16 - May 31		75,338	3,465,548				
	June1- Sept 30		47,387	5,781,214				
	Oct 1 - Nov 15		75,338	3,465,548				
	Total			26,199,026				
Algonquin	AFT-1B	9B102			FERC Tariff	06/01/1993	10/31/2012	No
	Nov 16- Apr 15		6,266	946,166				
	Apr 16 - May 31		4,177	192,142				
	June1- Sept 30		0	0				
	Oct 1 - Nov 15		4,177	192,142				
	Total			1,330,450				
Algonquin	AFT-12	93204C	13,453	4,910,345	FERC Tariff	11/01/1998	10/31/2012	No
Algonquin	AFT-14	93403	16,226	5,922,490	FERC Tariff	06/01/1993	10/31/2012	No
Algonquin	AFT-1B	9B103	17,285	6,309,025	FERC Tariff	06/01/1993	10/31/2012	No
Algonquin	X-33	932001	40,000	6,040,000	FERC Tariff	12/01/1988	12/01/2008	No
Dominion	FT	200040	11,792	4,304,080	FERC Tariff	09/24/1991	03/31/2011	No
Iroquois	RTS	61001	4,553	1,661,845	FERC Tariff	08/01/1999	12/01/2011	No

Information Request DTE-LDC-1-3

Please provide the following information for all of the Company's asset/portfolio management contracts in a tabular form.

- (a) name of asset/portfolio manager
- (b) length of contract, indicating starting and expiration dates
- (c) pricing terms
- (d) terms of contract, e.g., whether evergreen

Response

Table 3
Current NSTAR Portfolio Management Contract

<u>Company</u>	<u>Start Date</u>	<u>End Date</u>	<u>MDQ</u>	<u>Location</u>	<u>Period</u>	<u>Total Qty</u>	<u>Evergreen</u>	<u>Price Terms</u>
TXU Portfolio Management	11/01/2003	10/31/2004	142,546	AGT City Gates	11-01-03 to 03-31-04	21,666,992	No	See Note 1 Below
			82,789	AGT City Gates	04-01-04 to 10-31-04	17,716,846		
			74859	TGP City Gates	11-01-03 to 03-31-04	11,378,568		
			47,387	TGP City Gates	04-01-04 to 10-31-04	10,140,818		

Note 1: The prices are also based on the specific pipeline production area indices and differ between monthly baseload quantities and daily swing quantities. In addition the portfolio manager pays NSTAR a fixed monthly fee for the right to manage the portfolio.

Information Request DTE-NSTAR-1-1

Refer to Appendix C to the Company's initial comments. Please explain why Kendall was removed from transportation throughput.

Response

Kendall was not included in Appendix C because Kendall is served under a special contract for transportation services.

Information Request DTE-NSTAR-1-3

Refer to NSTAR initial comments at 3. Please reconcile, with supporting evidence, the statements that “a competitive market for upstream capacity has not yet developed,” and “mandatory capacity ... has proved to be a success in terms of providing a framework for the development of real and sustainable competition.”

Response

The statements speak to two different markets: wholesale and retail. The Company's statement that “a competitive market for upstream capacity has not yet developed” relates to the lack of sufficient competition in the wholesale market for upstream capacity. The Company provided support for this contention in Appendices A and B to the Company's Initial Comments. The Department has stated that, until the upstream capacity market is workably competitive, local distribution companies cannot be relieved of their obligation to procure capacity to serve their customers.

The second statement regarding mandatory capacity assignment and its success in providing a framework for the development of sustainable competition relates to retail competition for end-use customers. The success of mandatory capacity assignment in providing a framework for retail competition is evidenced by the fact that the Department's mandatory capacity assignment policy has allowed the provision of gas to end use customers to remain reliable and has avoided cost-shifting among customers. Accordingly, as the wholesale market becomes more competitive in the future, the Department's mandatory capacity assignment policy will allow for real and sustainable retail competition to develop for end-use customers.